

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Center for Medicaid and CHIP Services

Toby Douglas, Director
California Department of Health Care Services
1501 Capitol Avenue, MS 0000
P.O. Box 997413
Sacramento, CA 95899-7413

**Original Date Stamped by CMS
June 28, 2013**

Dear Mr. Douglas:

On June 6, 2013, DHCS submitted to CMS a request for a Superior Systems Waiver (SSW) interim renewal, from July 1, 2013 to September 30, 2013. This interim waiver has been approved, and is July 1, 2013.

The interim SSQ describes how utilization review, including Treatment Authorization Requests (TAR), will function within a Diagnosis Related Group (DRG) payment methodology. The DRG payment methodology will go into effect for private hospitals on July 1, 2013. On the same day, private hospitals will transition to TARs for admissions only, except for restricted aid codes and other exemptions. Non-designated public hospitals will similarly transition to DRGs and corresponding admission-only TARs on January 1, 2014.

The State will submit a comprehensive two-year SSW request to be effective from October 1, 2013 through September 30, 2015. The comprehensive waiver will describe strategies to transition DRG hospitals (private and public from submitting acute admission TARs to using evidence-based standardized medical utilization review criteria.

CMS appreciates DHCS' collaboration on this matter. We look forward to continuing our work on the SSWs, the DRG transition and the Public Hospital Project.

If you have any questions or need additional information, please contact Tyler Sadwith at (415) 744-3563, or Tom Schenck respectively at (415) 744-3589.

Sincerely,

ORIGINAL DOCUMENT SIGNED BY:

Gloria, Nagle, Ph.D., MPA
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosure

cc: Doug Robins, DHCS, Utilization Management Division
Elizabeth Touhey, DHCS, Utilization Management Division
Steve Chickering, CMS, Division of Survey & Certification
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